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Hidili Industry International Development Limited
恒鼎實業國際發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01393)

**FULFILLMENT OF RESUMPTION GUIDANCE
AND
RESUMPTION OF TRADING**

This announcement is made by Hidili Industry International Development Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 29 March 2021, 30 April 2021, 9 June 2021, 22 June 2021, 30 June 2021, 30 July 2021, 23 August 2021 and 10 September 2021 in respect of the delay in publication of the 2020 Annual Results, the suspension of trading of the Shares and the Resumption Guidance (the “**Announcements**”). Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements.

BACKGROUND OF SUSPENSION OF TRADING IN THE SHARES

As disclosed in the announcement dated 29 March 2021, the Company was unable to publish the 2020 Annual Results as the Company requires more time to provide the required information for the purpose of the audit of the Company’s consolidated financial statements for the year ended 31 December 2020, in particular relevant information and documents relating to the valuation of certain mining assets and the interest in a joint venture. At the request of the Company, trading in its shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021 and will remain suspended until the release of the audited 2020 Annual Results.

FULFILLMENT OF RESUMPTION GUIDANCE

Resumption Guidance

As disclosed in the announcement dated 22 June 2021, at the request of the Stock Exchange, the resumption of trading in the Shares is subject to the fulfilment of the following guidance:

- (1) Publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (2) Demonstrate compliance with Rule 13.24 of the Listing Rules; and
- (3) Inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position.

Satisfaction of the Resumption Guidance

The Board is pleased to announce that the Company has fulfilled the Resumption Guidance on the following basis:

- (1) ***Publish all outstanding financial results required under the Listing Rules and address any audit modifications***

The Company published both the 2020 Annual Results and the 2021 Interim Results on 17 September 2021.

During the audit of the Company's consolidated financial statements for the year ended 31 December 2020, the Company has worked closely with the auditor regarding the valuation of the Company's coal mines and the interests in a joint venture. The Company has engaged technical consultant for the estimation of the resources and reserves of the Company's coal mines in Sichuan and Guizhou provinces. The reported estimation of the resources and reserves has been adopted as the major assumption and basis for the valuation of the Company's mining assets. Further, external valuer was engaged to work out the financial modelling for the Company's coal mines and the interests in a joint venture with appropriate approach to the satisfaction of the auditor. At the same time, external expert was appointed by the auditor to review the estimation of the resources and reserves together with the valuation of the Company's coal mines and interests in a joint venture. As a result, the auditor is able to remove the disclaimer of opinion issued in the previous years. The audit opinion issued for the 2020 Annual Results is unqualified and no audit modification made in respect of the mining assets and the interests in a joint venture of the Company. However, the disclaimer of opinion regarding going concern basis was remained in the audit opinion for the 2020 Annual Results (For details, please refer to "Extracts of Independent Auditor's Report" in the 2020 Annual Results).

(2) *Demonstrate compliance with Rule 13.24 of the Listing Rules*

At the date of this announcement, the business operations of the Group are continuing as usual in all material respects. Please refer to the 2020 Annual Results and the 2021 Interim Results for details of the Group's financial position and financial performance.

Currently, the Group is focusing on the integration of coal mines and strengthening its operations of production and sales of clean coal, and the management is also implementing cost-saving measures to improve its operating cash flows and financial position.

As disclosed in the announcement of the Company dated 7 September 2021 regarding the operational data for the eight months period ended 31 August 2021, raw coal and clean coal production in Guizhou province amounted to approximately 2,377,000 tonnes and 943,000 tonnes respectively, representing an increase of approximately 39% and 56% as comparing to that of the corresponding period of 2020. Besides, with the recovery of the steel industry and infrastructure development, coking coal demand and selling price led a gradual growth. The Company believes that high revenue and profit margin can be achieved in the second half of 2021 which leading to a better liquidity position and financial performance.

Currently, the Company is working closely with the relevant government authorities in Sichuan province to speed up the system upgrades and seeking for resumption of production by the end of year 2021.

Regarding the debt restructuring, the Company is working closely with the onshore and offshore creditors, the professionals and relevant regulated parties to strive to finalize the detailed terms of the debt restructuring as soon as possible and prepare the formal documentation for approval in shareholders' meeting.

As a result of the foregoing, the Company is capable of demonstrating compliance with Rule 13.24 of the Listing Rules.

(3) *Inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position*

The Company has included all material information on its business, financial performance and operation management in the 2020 Annual Results, 2021 Interim Results and other publication in accordance with the Listing Rules and other applicable regulatory requirements. To the best knowledge of the Directors, there is no other information required to be disclosed under Part XIVA of the SFO and no other undisclosed information that is material for the Company's shareholders and other investors to appraise the Company's position.

RESUMPTION OF TRADING

At the request of the Company, trading in its shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021. As the Resumption Guidance have been fulfilled, an application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 20 September 2021.

By Order of the Board
Hidili Industry International Development Limited
Xian Yang
Chairman

Hong Kong
17 September 2021

As at the date of this announcement, the executive directors of the Company are Mr. Xian Yang (Chairman), Mr. Sun Jiankun and Mr. Zhuang Xianwei and the independent non-executive directors of the Company are Mr. Chan Shiu Yuen Sammy, Mr. Huang Rongsheng and Ms. Xu Manzhen.